



Loan Rider Tracking Guidance

Compliance of Tracking and Monitoring Published Loan Agreement Riders

Freddie Mac's loan documents use added riders to address unique issues associated with a property or Borrower while maintaining standard core documents. These riders are critical to the proper administration of a loan and documentation of a Borrower's obligations to the lender.

At times, these riders will require the Borrower to actively report information to the lender or will restrict certain operations of the property. Freddie Mac expects the Servicers to take the additional steps required by many of these riders to ensure the condition of the collateral and the level of risk remain consistent with Freddie Mac's initial expectations.

The attached table, the Loan Agreement Rider Tracking Guidance (Riding Tracker), lists all the published riders used with the Freddie Mac conventional and seniors housing loan agreements, and is available in the [Asset Management Reference](#) section of [Freddiemac.com](#). The riders listed in the Riding Tracker are available on [FreddieMac.com](#) for easy reference. For each loan agreement rider, we have identified two key aspects that are critical to the Servicer's administration of the loan. The Rider Tracker identifies riders that do either or both of the following:

- Contain additional conditions a Servicer should consider when reviewing the loan during otherwise customary servicing
- Require more active Servicer follow-up and management during the loan term

If a rider requires the Servicer to actively monitor certain matters, we have included additional information in the Rider Tracker to help identify what the Servicer should monitor and/or what constitutes sufficient monitoring.

Servicers should not rely on the guidance included in the Rider Tracker as definitive. When boarding a loan, it is critical the Servicer review all relevant loan terms, including each rider attached to the loan documents, and understand the risks associated with the loan. It is not uncommon for modifications to the loan documents themselves or the standard riders to add or change a requirement for the Servicer to flag or monitor a particular item that may not be included in the form document requirements.

Also, the Rider Tracker does not include riders used with Freddie Mac's small balance loan agreement. The Small Balance Loan program has more standard loan terms and there are only a few published riders associated with the loan agreement. However, the guidance addressed in this document is a good indication of Freddie Mac's expectations for similar issues arising on Small Balance Loans.



Loan Rider Tracking Guidance

Number	Rider Classification	Name of Rider	Need for Servicer to flag or capture info when boarding (Y/N)	Need for Servicer to perform some form of active ongoing monitoring or compliance (Y/N)	If ongoing monitoring/compliance is required, how/what should be updated/reported	Notes
1	Transfer Provisions	Affiliate Transfer	N	N		
2	Transfer Provisions	Buy-Sell Transfer	N	N		
3	Transfer Provisions	Conversion of Limited Partnership to LLC	N	N		
4	Transfer Provisions	Co-Owner Transfer	N	N		
5	Transfer Provisions	Death of Principal Resulting in Transfer	N	N		
6	Transfer Provisions	Non-Profit GP Transfer	N	N		
7	Transfer Provisions	Pension Fund Transfer	N	N		
8	Escrow & Reserves	Debt Service Reserve	Y	Y	Monitor if there are specific release or trigger provisions in the rider	
9	Escrow & Reserves	Ground Fault Interruptor No Disbursement from Repair Reserve Fund	Y	N		Follow up only required if rider requires GFI replacement at unit turns and/or includes a due date
10	Escrow & Reserves	Rate Cap Agreement	Y	Y	Monitor for dates, expirations and counterparty requirements	
11	Escrow & Reserves	Rental Achievement Cash Reserve	Y	Y	Active monitoring as required	
12	Escrow & Reserves	Rental Achievement Letter of Credit	Y	Y	Active monitoring as required	
13	Escrow & Reserves	Repair Reserve Fund – Radon Screening & Long Term Testing	Y	Y	Monitor as any other repair reserve fund with the addition of radon requirements	
14	Escrow & Reserves	Repair Reserve Fund – Radon Testing	Y	Y	Monitor as any other repair reserve fund with th addition of radon requirements	
15	Escrow & Reserves	Repair Reserve Fund – Radon Testing, Screening & Additional Long Term Testing	Y	Y	Monitor as any other repair reserve fund with addition of radon requirements	
16	Escrow & Reserves	Repair Reserve Fund	Y	Y	Monitoring performance subject to terms and due dates	
17	Escrow & Reserves	Repairs – No Repair Reserve Fund	Y	Y	Monitoring performance subject to terms and due dates	
18	Escrow & Reserves	Replacement Reserve Fund – Additional Deposit Rider	Y	Y	Draw request management and monitoring timing or other conditions	
19	Escrow & Reserves	Replacement Reserve Fund – Deferred Deposits	Y	Y	Draw request management and monitoring timing or other conditions	

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20	Escrow & Reserves	Replacement Reserve Fund – Immediate Deposits	Y	Y	Draw request management and monitoring timing or other conditions	
21	Escrow & Reserves	Replacement Reserve Fund – Deferred for Cooperative Borrowers	N	N		If cooperative loan term is greater than 10 years, additional monitoring may be required
22	Escrow & Reserves	Replacement Reserve Fund – Monthly Deposit Cap	Y	Y	Draw request management and monitoring timing or other conditions	
23	Escrow & Reserves	Required Average Capital Expenditures	Y	Y	Draw request/active monitoring of progress	
24	Escrow & Reserves	Required Yearly Capital Expenditures	Y	Y	Draw request/active monitoring of progress	
25	Escrow & Reserves	Section 8 Housing Assistance Payments Reserve	Y	Y	Active monitoring of reserve requirements	
26	Escrow & Reserves	Waiver of Monthly Deposits on Supplemental Loans – Cooperative Borrowers	N	N		
27	Miscellaneous	Aluminum Wiring	Y	N		Follow up only required upon a hazard loss related to aluminum wiring
28	Miscellaneous	Cash Management Agreement Rider	N	N	No additional monitoring beyond the terms of cash management agreement	
29	Miscellaneous	Condominium 100% Owned by Borrower	N	N		
30	Miscellaneous	Condominium Partially Owned by Borrower	N	N		
31	Miscellaneous	Cooperation with Rating Agencies and Investors	N	N		
32	Miscellaneous	Cooperative Unsecured Line of Credit	N	N		
33	Miscellaneous	Corporate Lease	Y	Y	Annual confirmation of borrower compliance	Borrower Certification is sufficient for annual compliance
34	Miscellaneous	Cross-Collateralized Transaction	Y	N		
35	Miscellaneous	Financial Reports for Cooperative Borrowers	N	N		
36	Miscellaneous	Galvanized Steel Piping/ Polybutylene Piping	Y	N		Follow up only required upon a hazard loss related to the piping
37	Miscellaneous	General Partnership Borrower	N	N		
38	Miscellaneous	Guarantor Requirements	N	N	No separate monitoring beyond the additional guaranty rider monitoring	
39	Miscellaneous	Independent Director	N	N		

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40	Miscellaneous	Lease-Up Transaction – Cash Reserve or Letter of Credit Required	Y	Y	Monitor lease up as required	
41	Miscellaneous	Lease-Up Transaction – No Credit Enhancement Required	Y	Y	Monitor lease up as required	
42	Miscellaneous	Month to Month Leases	Y	Y	Annual confirmation of borrower compliance	Borrower Certification is sufficient for annual compliance
43	Miscellaneous	Partial Release of Unimproved Property	N	N		
44	Miscellaneous	Preferred Equity	N	N		
45	Miscellaneous	Prepaid Rents	N	N		
46	Miscellaneous	Prepayment During Window Period After Defeasance	Y	N		
47	Miscellaneous	Recycled Borrower – Multiple Entities Comprising Borrower	N	N		
48	Miscellaneous	Recycled Borrower	N	N		
49	Miscellaneous	Recycled SPE Equity Owner	N	N		
50	Miscellaneous	Regulatory Agreement	Y	Y	Active monitoring if there are specific dates or filings required	Borrower Certification is sufficient for annual compliance
51	Miscellaneous	Section 8 Housing Assistance Payments Contract	Y	Y	Active monitoring of contracts and dates	Borrower Certification is sufficient for annual compliance but contracts with servicers need to be the most recent
52	Miscellaneous	Self Management	N	N		The need to track is the same as tracking a management company
53	Miscellaneous	Single Asset Entity Borrower	N	N		
54	Miscellaneous	Splitting the Note	N	N		
55	Miscellaneous	Subordinate Debt	Y	N		
56	Miscellaneous	Standard Modifications	N	N		
57	Miscellaneous	Tax Credit Properties	Y	Y	Active monitoring of tax credit compliance	
58	Miscellaneous	Tax Exemption or Abatement – Borrower to Apply Reserve Fund	Y	Y	Active follow up on the application	
59	Miscellaneous	Tax Exemption or Abatement – Borrower to Apply	Y	Y	Active follow up on the application	
60	Miscellaneous	Tax Exemption or Abatement	Y	Y	Active follow up only if there are specific dates or filings required	Borrower certification is sufficient for annual compliance

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61	Miscellaneous	Tax Method of Accounting	N	N		
62	Miscellaneous	Tenancy in Common Borrower	N	N		
63	Miscellaneous	Term of Existence of Guarantor Expiring Prior to Maturity Date	Y	Y	Monitor for conditions as required	
64	Miscellaneous	Termite or Wood Damaging Insect Control	N	N		Issues of potential/actual damage will be picked up at inspection
65	Miscellaneous	Trade Names	N	N		
66	Miscellaneous	Value Add	Y	Y	Monitor value add conditions as required	
67	Miscellaneous	Waiver of Moisture Management Plan	N	N		
68	Senior Housing	Acuity Mix Conversion	Y	Y	Upon annual inspection, check compliance with mix	Borrower certification and/or confirmation at annual inspection is acceptable
69	Senior Housing	Alzheimer's Dementia & Memory Care	Y	Y	Upon annual inspection, check compliance with mix	Borrower certification and/or confirmation at annual inspection is acceptable
70	Senior Housing	Insurance Claims History Rider	Y	Y	Ensure ongoing reporting compliance	Borrower certification is acceptable
71	Senior Housing	Governmental Payor Programs Rider	Y	Y	Upon annual inspection or upon annual financial review, check compliance with mix	Borrower certification and/or confirmation at annual inspection is acceptable
72	Senior Housing	Operating Lease Rider	Y	Y	Ensure ongoing reporting compliance	Borrower certification is acceptable
73	Ground Lease	Ground Lease	Y	N		
74	Supplemental Mortgage	Supplemental Loan	N	N		
75	Manufactured Housing	Manufactured Housing	N	N		